

February 4, 2011

United States Bankruptcy Court
Southern District of New York

In re:
LEHMAN BROTHERS HOLDINGS, INC., et al.
Debtors

Chapter 11
Case No. 08-13555 (JMP)
(Jointly Administered)

Creditor: EAST BAY MUNICIPAL UTILITY DISTRICT
375 Eleventh Street, MS 801
Oakland, CA 94607
Attn: Gary Breaux, Director of Finance

Subject: Objection to Disallow and Expunge Lehman Brothers Claim Number 32176
Case Number 08-13888 in the Amount of \$144,705.25

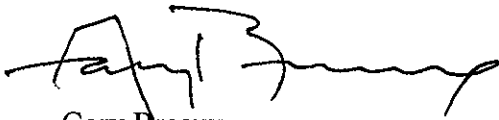
This is a request to object to the request to disallow or expunge Claim Number 32176 for East Bay Municipal Utility District that was filed on 9/22/2009. The following is in response to your documentation required to object to your notice to disallow or expunge this claim.

- i. Caption setting forth the name of the Bankruptcy Court, names of the Debtors, case number and title of the objection for the claim.
 - a. Name of Bankruptcy Court: U.S. Bankruptcy Court, Southern District of New York
 - b. Debtor: Lehman Brothers Holdings, Inc. et al.
 - c. Case Number: 08-13888; Date filed 9/22/2009 – Water System
 - d. Title of Objection: Objection to Disallow and Expunge Lehman Brothers Claim Number 32176; Case Number 08-13888; Date filed 9/22/2009 (see attached documents).
- ii. Name of claimant and description of basis for amount of claim
 - a. Claimant: East Bay Municipal Utility District
 - b. Amount of claim: \$144,705.25
 - c. Basis for claim: Claim Number 08-13888 is for legal and financial services for two ISDA Master Agreements dated May 4, 2005 entered into between Lehman Brothers and the Debtor-East Bay Municipal Utility District (see attached documents).

Lehman Brothers Bankruptcy Claim
February 4, 2011
Page 2

- iii. This claim is not a duplicate of Claim Number 26497; Case Number 08-13555 which is for the Wastewater System (see attached documents).
- iv. Documentation: Attached documents relate to both claims that were submitted.
- v. Send all replies or inquiries to:
 - a. Gary Breaux, Director of Finance
East Bay Municipal Utility District
375 Eleventh Street, MS 801
Oakland, CA 94607
- vi. Same as above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary Breaux', with a stylized flourish at the end.

Gary Breaux
Director of Finance

Enclosures

GB:WHT

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., et al.,

Debtors.

Chapter 11 Case No.

08-13555 (JMP)

(Jointly Administered)

LBH OMNIBUS 01-13-2011 (MERGE2,TXNUM2) 4000078483 BAR(23) MAIL ID *** 000041061373 *** BSIUSE: 131

EAST BAY MUNICIPAL UTILITY DISTRICT
ATTN: GARY BREAU, DIRECTOR OF FINANCE
375 ELEVENTH STREET, MS 801
OAKLAND, CA 94607

JAN 19 2011
DIRECTOR OF FINANCE

**THIS IS A NOTICE REGARDING YOUR CLAIM(S). YOU MUST READ IT
AND TAKE ACTION IF YOU DISAGREE WITH THE OBJECTION.**

**IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR THE OBJECTION,
PLEASE CONTACT DEBTORS' COUNSEL, ERIN ECKOLS, ESQ., AT 214-746-7700.**

**NOTICE OF HEARING ON DEBTORS' EIGHTY-FIRST
OMNIBUS OBJECTION TO CLAIMS (DUPLICATIVE CLAIMS)**

Creditor Name and Address: EAST BAY MUNICIPAL UTILITY DISTRICT ATTN: GARY BREAU, DIRECTOR OF FINANCE 375 ELEVENTH STREET, MS 801 OAKLAND, CA 94607		Claim Number	Date Filed	Case Number	Classification and Amount
	Claim to be Disallowed and Expunged	32176	9/22/2009	08-13888	UNSECURED: \$ 144,705.25
	Surviving Claim(s)	26497	9/22/2009	08-13555	UNSECURED: \$ 144,705.25

PLEASE TAKE NOTICE that, on January 13, 2011, Lehman Brothers Holdings Inc. and certain of its affiliates (collectively, the "Debtors") filed their Eighty-First Omnibus Objection to Claims (Duplicative Claims) (the "Objection") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").¹

The Objection requests that the Bankruptcy Court expunge, reduce, reclassify, and/or disallow your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED on the ground that it is duplicative, either entirely or in substance, of your claim filed against the same Debtor and on account of the same obligations as the claim listed above under SURVIVING CLAIM. Any claim that the Bankruptcy Court expunges and disallows will be treated as if it had not been filed and you will not be entitled to any distribution on account thereof.

If you do NOT oppose the disallowance, expungement, reduction or reclassification of your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED, then you do NOT need to file a written response to the Objection and you do NOT need to appear at the hearing.

If you DO oppose the disallowance, expungement, reduction or reclassification of your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED, then you MUST file with the Court and serve on the parties listed below a written response to the Objection that is received on or before 4:00 p.m. Prevailing Eastern Time on February 14, 2011 (the "Response Deadline").

Your response, if any, must contain at a minimum the following: (i) a caption setting forth the name of the Bankruptcy Court, the names of the Debtors, the case number and the title of the Objection to which the response is directed; (ii) the name of the claimant and description of the basis for the amount of the claim; (iii) a concise statement setting forth the reasons why

¹ A list of the Debtors, along with the last four digits of each Debtor's federal tax identification number, is available on the Debtors' website at <http://www.lehman-docket.com>.

the claim should not be disallowed, expunged, reduced, or reclassified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which you will rely in opposing the Objection; (iv) all documentation or other evidence of the claim, to the extent not included with the proof of claim previously filed with the Bankruptcy Court or provided to the Debtors in response to the Derivative Questionnaire and/or Guarantee Questionnaire (as defined in the order, dated July 2, 2009, establishing the deadline for filing proofs of claim, approving the form and manner of notice thereof and approving the proof of claim form [Docket No. 4271]), upon which you will rely in opposing the Objection; (v) the address(es) to which the Debtors must return any reply to your response, if different from that presented in the proof of claim; and (vi) the name, address, and telephone number of the person (which may be you or your legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on your behalf.

The Bankruptcy Court will consider a response only if the response is timely filed, served, and received. A response will be deemed timely filed, served, and received only if the original response is actually received on or before the Response Deadline by (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) attorneys for the Debtors, Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Shai Waisman, Esq. and Mark Bernstein, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Elisabeth Gasparini, Esq. and Andrea Schwartz, Esq.); and (iv) attorneys for the official committee of unsecured creditors appointed in these cases, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq.)

A hearing will be held on March 3, 2011 to consider the Objection. The hearing will be held at 10:00 a.m. Prevailing Eastern Time in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, Courtroom 601. If you file a written response to the Objection, you should plan to appear at the hearing. The Debtors, however, reserve the right to continue the hearing on the Objection with respect to your claim. If the Debtors do continue the hearing with respect to your claim, then the hearing will be held at a later date. If the Debtors do not continue the hearing with respect to your claim, then a hearing on the Objection will be conducted on the above date.

If the Bankruptcy Court does NOT disallow, expunge, reduce or reclassify your claim listed above under CLAIM TO BE DISALLOWED & EXPUNGED, then the Debtors have the right to object on other grounds to the claim (or to any other claims you may have filed) at a later date. You will receive a separate notice of any such objections.

You may participate in a hearing telephonically provided that you comply with the Court's instructions (including, without limitation, providing prior written notice to counsel for the Debtors and any statutory committees), which can be found on the Court's website at www.nysb.uscourts.gov.

If you wish to view the complete Objection, you can do so on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the internet at www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov), or for free at <http://www.lehman-docket.com>. If you would like to request a complete copy of the Objection at the Debtors' expense, please contact the Debtors' approved claims agent Epiq Bankruptcy Solutions, LLC toll-free at 1-866-879-0688.

If you have any questions about this notice or the Objection, please contact Debtors' counsel, Erin Eckols, Esq., at 214-746-7700. CLAIMANTS SHOULD NOT CONTACT THE CLERK OF THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

DATED: January 13, 2011
New York, New York

Kasey Burton

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Shai Y. Waisman

ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

United States Bankruptcy Court/Southern District of New York
Lehman Brothers Holdings Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5076
New York, NY 10150-5076

PROOF OF CLAIM

In Re:
Lehman Brothers Holdings Inc., et al.
Debtors.

Chapter 11
Case No. 08-13555 (JMP)
(Jointly Administered)

Name of Debtor Against Which Claim is Held
Lehman Brothers Special Financing Inc.

Case No. of Debtor
08-13888

Water

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)

THIS SPACE IS FOR COURT USE ONLY

Name and address of Creditor: (and name and address where notices should be sent if different from Creditor)

East Bay Municipal Utility District
375 Eleventh Street, MS 801
Oakland, CA 94607

Attn: Gary Breaux, Director of Finance

Telephone number: 510-287-0310

Email Address: gbreaux@ebmud.com

Name and address where payment should be sent (if different from above)

Telephone number:

Email Address:

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim

Number: _____

(If known)

Filed on: _____

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☒ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 144,705.25

If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete Item 5.

If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9), complete Item 6.

☒ Check this box if all or part of your claim is based on a Derivative Contract.*

☐ Check this box if all or part of your claim is based on a Guarantee.*

***IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO <http://www.lehman-claims.com> AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED.**

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on <http://www.lehman-claims.com> if claim is based on a Derivative Contract or Guarantee.

2. Basis for Claim: Two-1992 ISDA Master Agreements dated May 4, 2005
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____

(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☒ Other

Describe: contractual right of setoff

Value of Property: \$ _____ Annual Interest Rate _____ %

Amount of arrearage and other charges as of time case filed included in secured claim, if any:

\$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): \$ _____
(See instruction #6 on reverse side.)

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary.

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date:

9/21/09

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Gary Breaux
Gary Breaux,
Director of Finance

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(_____).

Amount entitled to priority:

\$ _____

FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

United States Bankruptcy Court/Southern District of New York
Lehman Brothers Holdings Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5076
New York, NY 10150-5076

PROOF OF CLAIM

In Re: Lehman Brothers Holdings Inc., et al.
Debtors.

Chapter 11
Case No. 08-13555 (JMP)
(Jointly Administered)

Name of Debtor Against Which Claim is Held
Lehman Brothers Holdings Inc.

Case No. of Debtor
08-13555 WW

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)

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Name and address of Creditor: (and name and address where notices should be sent if different from Creditor)

East Bay Municipal Utility District
375 Eleventh Street, MS 801
Oakland, CA 94607

Attn: Gary Breau, Director of Finance

Telephone number: 510-287-0310 Email Address: gbreau@ebmud.com

Name and address where payment should be sent (if different from above)

Telephone number: Email Address:

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim

Number: _____
(If known)

Filed on: _____

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☒ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 144,705.25

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☐ Check this box if all or part of your claim is based on a Derivative Contract.*

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***IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO <http://www.lehman-claims.com> AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED.**

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on <http://www.lehman-claims.com> if claim is based on a Derivative Contract or Guarantee.

2. Basis for Claim: Two Guarantees related to 1992 ISDA Master Agreements dated May 4, 2005
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____
3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other

Describe: _____

Value of Property: \$ _____ Annual Interest Rate _____ %
Amount of arrearage and other charges as of time case filed included in secured claim, if any:

\$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ _____
(See instruction #6 on reverse side.)

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.
8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary.
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.
If the documents are not available, please explain:

Date: 9/21/09 Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Gary Breau,
Director of Finance

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(_____).

Amount entitled to priority:

\$ _____

FOR COURT USE ONLY

EPIQ SYSTEMS
757 THIRD AVENUE
THIRD FLOOR
NEW YORK, NY 10017

P 646 282 2500 F 646 282 2501
757 THIRD AVENUE, NEW YORK, NY 10017
WWW.EPIQSYSTEMS.COM



MAILID *** 0004890724 ***

**** LBH CLMLTR (MERGE2,TXNUM2) 4000078477 ****

EAST BAY MUNICIPAL UTILITY DISTRICT
375 ELEVENTH STREET, MS 801
OAKLAND, CA 94612-7240

RECEIVED

DEC - 7 2009

DIRECTOR OF FINANCE

December 02, 2009

ACKNOWLEDGEMENT OF RECEIPT OF PROOF OF CLAIM

This letter serves as acknowledgement that the claim identified below has been recorded by Epiq Bankruptcy Solutions, LLC, the court-approved claims agent, on the claims register in the LEHMAN BROTHERS HOLDINGS INC. case. It is also publically available at the following website address: <http://chapter11.epiqsystems.com/LBH>. To ensure that your claim has been recorded correctly, please review the following information:

Debtor: LEHMAN BROTHERS SPECIAL FINANCING INC.
Case Number: 08-13888
Creditor: EAST BAY MUNICIPAL UTILITY DISTRICT
Date Received: 09/22/2009
Claim Number: 32175

Please note that nothing in this Acknowledgement should be construed to mean or imply that your claim is being allowed. The Debtor may elect to object to the identified claim on various grounds.

We strongly encourage you to review your submitted proof of claim on our website at the address listed above. To find your imaged claim, click on the "Filed Claims & Schedules" link at the top of the page, type in your claim number in the "Claim #" field, and click "Search."

WHEN REVIEWING YOUR CLAIM, PLEASE BE AWARE OF ANY PERSONALLY IDENTIFIABLE INFORMATION ("PII") SUBMITTED BY YOU. PII can include information used to distinguish or trace an individual's identity, such as their social security number, biometric records, drivers license number, account number, credit or debit card number (including any passwords, access codes or PIN numbers), etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

The Proof of Claim Form allows for redacted documents. If you identify any PII in your filed claim, please contact us immediately at (646) 282-2400 or via our contact form on our website at <http://www.epiq11.com/contact.aspx> so we may assist you in redacting this information. Please be sure to specify the client/debtor about which you are inquiring.

You may also contact by either of the methods listed above should you have any other questions.

EPIQ BANKRUPTCY SOLUTIONS, LLC

EPIQ SYSTEMS
757 THIRD AVENUE
THIRD FLOOR
NEW YORK, NY 10017

P 646 282 2500 F 646 282 2501
757 THIRD AVENUE, NEW YORK, NY 10017
WWW.EPIQSYSTEMS.COM



MAILID *** 0004890725 ***

**** LBH CLMLTR (MERGE2,TXNUM2) 4000078483 ****

EAST BAY MUNICIPAL UTILITY DISTRICT
ATTN: GARY BREAUX, DIRECTOR OF FINANCE
375 ELEVENTH STREET, MS 801
OAKLAND, CA 94607

RECEIVED
DEC - 7 2009
DIRECTOR OF FINANCE

December 02, 2009

ACKNOWLEDGEMENT OF RECEIPT OF PROOF OF CLAIM

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Debtor: LEHMAN BROTHERS SPECIAL FINANCING INC.
Case Number: 08-13888
Creditor: EAST BAY MUNICIPAL UTILITY DISTRICT
Date Received: 09/22/2009
Claim Number: 32176

Please note that nothing in this Acknowledgement should be construed to mean or imply that your claim is being allowed. The Debtor may elect to object to the identified claim on various grounds.

We strongly encourage you to review your submitted proof of claim on our website at the address listed above. To find your imaged claim, click on the "Filed Claims & Schedules" link at the top of the page, type in your claim number in the "Claim #" field, and click "Search."

WHEN REVIEWING YOUR CLAIM, PLEASE BE AWARE OF ANY PERSONALLY IDENTIFIABLE INFORMATION ("PII") SUBMITTED BY YOU. PII can include information used to distinguish or trace an individual's identity, such as their social security number, biometric records, drivers license number, account number, credit or debit card number (including any passwords, acces codes or PIN numbers), etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name,etc.

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EPIQ BANKRUPTCY SOLUTIONS, LLC

EPIQ SYSTEMS
757 THIRD AVENUE
THIRD FLOOR
NEW YORK, NY 10017

P 646 282 2500 F 646 282 2501
757 THIRD AVENUE, NEW YORK, NY 10017
WWW.EPIQSYSTEMS.COM



MAILID *** 0004886160 ***

**** LBH CLMLTR (MERGE2,TXNUM2) 4000071964 ****

EAST BAY MUNICIPAL UTILITY DISTRICT
ATTN: GARY BREAU, DIRECTOR OF FINANCE
375 ELEVENTH STREET, MS 801
OAKLAND, CA 94607

RECEIVED
DEC - 7 2009
DIRECTOR OF FINANCE

December 02, 2009

ACKNOWLEDGEMENT OF RECEIPT OF PROOF OF CLAIM

This letter serves as acknowledgement that the claim identified below has been recorded by Epiq Bankruptcy Solutions, LLC, the court-approved claims agent, on the claims register in the LEHMAN BROTHERS HOLDINGS INC. case. It is also publically available at the following website address: <http://chapter11.epiqsystems.com/LBH>. To ensure that your claim has been recorded correctly, please review the following information:

Debtor: LEHMAN BROTHERS HOLDINGS, INC.
Case Number: 08-13555
Creditor: EAST BAY MUNICIPAL UTILITY DISTRICT
Date Received: 09/22/2009
Claim Number: 26497

Please note that nothing in this Acknowledgement should be construed to mean or imply that your claim is being allowed. The Debtor may elect to object to the identified claim on various grounds.

We strongly encourage you to review your submitted proof of claim on our website at the address listed above. To find your imaged claim, click on the "Filed Claims & Schedules" link at the top of the page, type in your claim number in the "Claim #" field, and click "Search."

WHEN REVIEWING YOUR CLAIM, PLEASE BE AWARE OF ANY PERSONALLY IDENTIFIABLE INFORMATION ("PII") SUBMITTED BY YOU. PII can include information used to distinguish or trace an individual's identity, such as their social security number, biometric records, drivers license number, account number, credit or debit card number (including any passwords, acces codes or PIN numbers), etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name,etc.

The Proof of Claim Form allows for redacted documents. If you identify any PII in your filed claim, please contact us immediately at (646) 282-2400 or via our contact form on our website at <http://www.epiq11.com/contact.aspx> so we may assist you in redacting this information. Please be sure to specify the client/debtor about which you are inquiring.

You may also contact by either of the methods listed above should you have any other questions.

EPIQ BANKRUPTCY SOLUTIONS, LLC

EBMUD | signout

NEW CLAIM / CLAIM TRACKING / CREDITOR INFO / CONTACT



GUARANTEE CLAIM SUMMARY

East Bay Municipal Utility District
375 Eleventh Street, MS 801
Oakland, CA 94607 UNITED STATES

Name of Debtor, or other entity, against which you have a direct claim (the "Obligor")

Lehman Brothers Special Financing Inc.
(08-13888)

If such Obligor is in a bankruptcy or insolvency proceeding, administration, receivership, conservatorship, liquidation or similar proceeding (and is not a Debtor in these chapter 11 cases), please provide the proof of claim and any attachments thereto filed against such Obligor or describe the claim against such Obligor if a proof of claim has not yet been filed.

Documents

LBHI POC \$144,705.25 9-22-09 C#26497 (SA filed).PDF

If such Obligor is in a bankruptcy or insolvency proceeding, administration, receivership, conservatorship, liquidation or similar proceeding (and is not a Debtor in these chapter 11 cases), please provide the proof of claim and any attachments thereto filed against such Obligor or describe the claim against such Obligor if a proof of claim has not yet been filed.

The Creditor asserts a claim against LBSF only for fees and expenses. Under the two ISDA Master Agreements dated May 4, 2005 entered into with LBSF, the Creditor is entitled to reasonable out-of-pocket expenses, including legal and other professional fees and expenses resulting from the early termination of any Transaction. As a direct result of and in connection with the Event of Default and the termination of the outstanding Transactions with LBSF, the Creditor engaged legal counsel to provide advice and assistance with respect to its rights under the Master Agreement and in connection with this chapter 11 bankruptcy case. To date, the Creditor has incurred not less than \$144,705.25 in reasonable legal and related fees and expenses related to the enforcement and protection of its rights under the Master Agreement. The Creditor is contractually entitled to payment of current and future fees and expenses. The Creditor anticipates that it will likely incur additional legal fees and will amend the Proof of Claim as necessary.

Documents

LBHI POC \$144,705.25 9-22-09 C#26497 (SA filed).PDF

List the agreement(s) under which your claim arises against the Obligor and, unless you have uploaded information in compliance with question 4a of the Derivative Questionnaire, provide documentation evidencing your claim and supporting the calculation of the claim amount.

This claim arises under the two ISDA Master Agreements dated as of May 4, 2005 entered into between Lehman Brothers Special Financing Inc. and the Creditor. Please see documentation uploaded in compliance with Question 4a of the related Derivative Questionnaire.

Amount of claim against Obligor

\$144,705.25

Name of Debtor that guarantees the payment/obligations of the Obligor against which you have a direct claim (the "Guarantor"):

Lehman Brothers Holdings Inc. (08-13555)

Please upload the specific promise, representation and/or agreement(s) (including any corporate resolutions) under which your claim arises against the Guarantor and describe the

In connection with each of the two ISDA Master Agreements dated May 4, 2005, LBHI issued a Guarantee in favor of the Creditor unconditionally

obligations/performance that is guaranteed. If you do not have possession of such document, please upload a written explanation of such guarantee in reasonable detail. You do not need to comply with this question if you have uploaded information in compliance with question 4a of the Derivative Questionnaire.

guaranteeing the full payment of all amounts payable by LBSF in connection with each transaction between the Parties under the respective Master Agreement. In addition, LBHI issued a guarantee pursuant to the unanimous consent of the executive committee of the board of directors through that certain board resolution dated June 9, 2005. Please see documentation uploaded in compliance with question 4a of the related Derivative Questionnaire.

Amount of claim against the Guarantor

\$144,705.25

☐ BY CHECKING THIS BOX, I AM ELECTRONICALLY SIGNING THIS DOCUMENT. I INTEND THIS ELECTRONIC SIGNATURE TO CARRY THE SAME FORCE AND EFFECT AS MY PHYSICAL SIGNATURE. THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

SUBMIT

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EBMUD | signout

NEW CLAIM / CLAIM TRACKING / CREDITOR INFO / CONTACT



GUARANTEE CLAIM SUMMARY

East Bay Municipal Utility District
375 Eleventh Street, MS 801
Oakland, CA 94607 UNITED STATES

Name of Debtor, or other entity, against which you have a direct claim (the "Obligor")

Lehman Brothers Special Financing Inc.
(08-13888)

If such Obligor is in a bankruptcy or insolvency proceeding, administration, receivership, conservatorship, liquidation or similar proceeding (and is not a Debtor in these chapter 11 cases), please provide the proof of claim and any attachments thereto filed against such Obligor or describe the claim against such Obligor if a proof of claim has not yet been filed.

Documents

LBSF POC \$144,705.25 9-22-09 C#32176.PDF

If such Obligor is in a bankruptcy or insolvency proceeding, administration, receivership, conservatorship, liquidation or similar proceeding (and is not a Debtor in these chapter 11 cases), please provide the proof of claim and any attachments thereto filed against such Obligor or describe the claim against such Obligor if a proof of claim has not yet been filed.

The Creditor asserts a claim against LBSF only for fees and expenses. Under the two ISDA Master Agreements dated May 4, 2005 entered into with LBSF, the Creditor is entitled to reasonable out-of-pocket expenses, including legal and other professional fees and expenses resulting from the early termination of any Transaction. As a direct result of and in connection with the Event of Default and the termination of the outstanding Transactions with LBSF, the Creditor engaged legal counsel to provide advice and assistance with respect to its rights under the Master Agreement and in connection with this chapter 11 bankruptcy case. To date, the Creditor has incurred not less than \$144,705.25 in reasonable legal and related fees and expenses related to the enforcement and protection of its rights under the Master Agreement. The Creditor is contractually entitled to payment of current and future fees and expenses. The Creditor anticipates that it will likely incur additional legal fees and will amend the Proof of Claim as necessary.

Documents

LBSF POC \$144,705.25 9-22-09 C#32176.PDF

List the agreement(s) under which your claim arises against the Obligor and, unless you have uploaded information in compliance with question 4a of the Derivative Questionnaire, provide documentation evidencing your claim and supporting the calculation of the claim amount.

This claim arises under the two ISDA Master Agreements dated as of May 4, 2005 entered into between Lehman Brothers Special Financing Inc. and the Creditor. Please see documentation uploaded in compliance with Question 4a of the related Derivative Questionnaire.

Amount of claim against Obligor

\$144,705.25

Name of Debtor that guarantees the payment/obligations of the Obligor against which you have a direct claim (the "Guarantor"):

Lehman Brothers Holdings Inc. (08-13555)

Please upload the specific promise, representation and/or agreement(s) (including any corporate resolutions) under which your claim arises against the Guarantor and describe the

In connection with each of the two ISDA Master Agreements dated May 4, 2005, LBHI issued a Guarantee in favor of the Creditor unconditionally

obligations/performance that is guaranteed. If you do not have possession of such document, please upload a written explanation of such guarantee in reasonable detail. You do not need to comply with this question if you have uploaded information in compliance with question 4a of the Derivative Questionnaire.

guaranteeing the full payment of all amounts payable by LBSF in connection with each transaction between the Parties under the respective Master Agreement. In addition, LBHI issued a Guarantee pursuant to the unanimous consent of the executive committee of the board of directors through that certain board resolution dated June 9, 2005. Please see the documentation uploaded in compliance with question 4a of the related Derivative Questionnaire.

Amount of claim against the Guarantor

\$144,705.25

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NEW CLAIM / CLAIM TRACKING / CREDITOR INFO / CONTACT



DERIVATIVE CLAIM SUMMARY

East Bay Municipal Utility District
 375 Eleventh Street, MS 801
 Oakland, CA 94607 UNITED STATES

Name of Debtor
 Lehman Brothers Special Financing Inc. (08-13888)

Please identify the counterparties, guarantor and/or credit support provider to the derivative contract.
 Counterparty = Lehman Brothers Special Financing, Inc.; Guarantor = Lehman Brothers Holdings Inc.

Have you entered into a termination agreement with the Debtors establishing the agreed upon amounts due in respect of derivative contracts?
 Selected: No

Have the derivative contracts matured or been terminated?
 Selected: Yes

	Item	Amount due to Debtor	Amount due from Debtor
Provide the derivative claim amount by supplying each line item included in the calculation thereof.	Transaction Valuations	\$0.00	\$0.00
	Unpaid Amounts	\$0.00	\$0.00
	Collateral	\$0.00	\$0.00
	Interest	\$0.00	\$0.00
	Other costs	\$0.00	\$144,705.25
	DERIVATIVE CLAIM AMOUNT		\$144,705.25

Documentation of Transactions: Please provide copies of all master agreements and schedules thereto, netting agreements, credit support agreements, guarantees and other agreements (other than confirmations) evidencing the transactions, in each case that relate to the claim.

Documents

LBSF POC \$144,705.25 9-22-09 C#32175.PDF
 EBMUD Wastewater Master Agreement.pdf
 EBMUD Wastewater Credit Support Annex.pdf
 EBMUD Wastewater Guarantee.pdf
 EBMUD Wastewater Schedule.pdf
 EBMUD Water ISDA Master Agreement.pdf
 EBMUD Water Schedule to the Master Agreement.pdf
 EBMUD Water Credit Support Annex.pdf
 EBMUD Water Guarantee.pdf
 LBHI_board_resolution_dated_9june_2005.pdf

Termination Notice: Please provide a copy of the termination notice, including evidence supporting delivery date of the termination notice.

Documents

Termination Notice - LBSF (East Bay MUD).pdf
 Delivery Evidence.pdf
 Delivery Evidence Part I.pdf
 Delivery Evidence Part II.pdf
 Delivery Evidence Part III.pdf
 Delivery Evidence Part IV.pdf

Valuation Statement: Please provide a copy of the valuation statement. Please identify any collateral that has been posted by any party in connection with the transactions and any claims of set-off against other transactions reflected in the claim.

Documents

Valuation Statement - LBSF (East Bay MUD).pdf

Individual Trade Level Detail: Please provide with respect to each transaction (i) the valuation date (to the extent not included in your valuation statement) and value and (ii) details for the purpose of identifying and reconciling each transaction (e.g. including, as applicable, trade id, electronic trade reference id, trade type, product, trade date, reference obligation or reference entity, factor and original contract notional amount, quantity/unit of measure, currency, price or strike price, buy/sell, call or put, cap or floor, effective date, and maturity date. (For the avoidance of doubt, you are not required to submit each and every one of the foregoing)). Please provide this information in Microsoft Excel format.

Questions 4(d) thru (g) are not applicable. The Creditor is asserting a claim only for fees and expenses. Under the two ISDA Master Agreements dated May 4, 2005, the Creditor is entitled to reasonable out-of-pocket expenses, including legal and other professional fees and expenses resulting from the early termination of any Transaction. As a direct result of and in connection with the Event of Default and the termination of the outstanding Transactions with LBSF, the Creditor engaged legal counsel to provide advice and assistance with respect to its rights under the Master Agreement and in connection with this chapter 11 bankruptcy case. To date, the Creditor has incurred not less than \$144,705.25 in reasonable legal and related fees and expenses related to the enforcement and protection of its rights under the Master Agreement. The Creditor is contractually entitled to payment of current and future fees and expenses. The Creditor anticipates that it will likely incur additional legal fees and will amend the Proof of Claim as necessary.

ISDA Master Agreements Specifying Market Quotation Methodology: If not already provided in the valuation statement, provide the date and identity of and quotations received from Reference Market-makers or other persons (i.e. name of institution) concerning the transactions.

Selected: No

ISDA Master Agreements Specifying Loss Methodology: To the extent applicable, if not already provided in the valuation statement, provide the date and identity of and quotations received from Reference Market-makers or other persons (i.e. name of institution) concerning the transactions.

Selected: No

ISDA Master Agreements Specifying Close-Out Amount Methodology: To the extent applicable, if not already provided in the valuation statement, provide the date and identity of and quotations received from Reference Market-makers or other persons (i.e. name of institution) concerning the transactions.

Selected: No

ISDA Master Agreements Specifying Any Other Methodology: To the extent applicable, if not already provided in the valuation statement, provide the date and identity of and quotations received from Reference Market-makers or other persons (i.e. name of institution) concerning the transactions.

Selected: No

Non-ISDA Master Agreements: To the extent applicable, if not already provided

Selected: No

in the valuation statement, provide the date and identity of and quotations received from Reference Market-makers or other persons (i.e. name of institution) concerning the transactions.

Replacement Transactions: If you replaced a terminated transaction with a transaction with the same economic terms as the terminated transaction, provide documentation evidencing such replacement transaction and the quotation(s) used, including specifying any cash (or other consideration) paid or received by or to any person to replace the transactions, the name of each entity that effectuated a replacement and when any such transactions were effected.

Selected: No

If claim includes other costs, please include a schedule that lists each such cost by vendor and indicates the service provided and amount paid.

Documents

Legal Fees.xls

☐ BY CHECKING THIS BOX, I AM ELECTRONICALLY SIGNING THIS DOCUMENT. I INTEND THIS ELECTRONIC SIGNATURE TO CARRY THE SAME FORCE AND EFFECT AS MY PHYSICAL SIGNATURE. THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

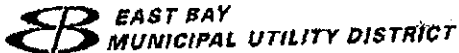
SUBMIT

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Fees & Expenses

<u>Amount Paid (\$)</u>	<u>Vendor</u>	<u>Service Provided</u>
144,705.25	Sidley Austin LLP	Legal services provided through Sept. 22, 2009

PART I



September 17, 2008

Lehman Brothers Special Financing Inc.
745 Seventh Avenue, 5th Floor
New York, New York 10019
Attention: Municipal Financial Products -- Middle Office
Facsimile No.: (646) 758-2988

Re: Designation of an Early Termination Date Under ISDA Agreements

Ladies and Gentlemen:

Reference is made to the two 1992 ISDA Master Agreements dated as of May 4, 2005 entered into between you and us, including the Schedules and Credit Support Annexes thereto and Confirmations thereunder (as amended, modified or supplemented to date, each an "ISDA Master" and collectively the "ISDA Masters"). Terms used but not defined herein are used as defined in the ISDA Masters. The ISDA Masters relate to the District's 2005 Water Bonds and the District's 2005 Wastewater Bonds (as identified on the related Confirmations).


Pursuant to Section 6(a) of the ISDA Masters, we hereby designate September 25, 2008 as the Early Termination Date with respect to all Transactions between you and us. On or about September 25, 2008, we intend to seek to obtain Market Quotations to determine the Settlement Amounts through a competitive bid process, and we will provide you with a statement of the amounts due, together with supporting statements, as required by Section 6(e) of each ISDA Master.

Such Early Termination Date is being designated as a result of the Event of Default under Section 5(a)(vii) of each ISDA Master resulting from the institution of a proceeding under Chapter 11 of the United States Bankruptcy Code by your Credit Support Provider, Lehman Brothers Holdings Inc., on September 15, 2008 in the United States Bankruptcy Court in the Southern District of New York.

We reserve all rights and remedies available to us under the ISDA Masters, under other agreements, and otherwise at law or in equity.


Very truly yours,

East Bay Municipal Utility District

By: 
Title: Director of Finance

cc: XL Capital Assurance Inc.
1221 Avenue of the Americas
31st Floor
New York, New York 10020
Attention: Surveillance and General Counsel
Phone: (212) 478-3400
Fax (Surveillance): (212) 478-3597
Fax (Legal): (212) 478-3579

Approved

By: 
XL Capital Assurance, Inc. Now known as SYRCONA GUARANTEE INC.
Title: ASSOCIATE GENERAL COUNSEL



September 25, 2008

Via Facsimile 646-758-2988

Lehman Brothers Special Financing Inc.
745 Seventh Avenue, 5th Floor
New York, New York 10019
Attn: Municipal Financial Products -Middle Office

Re: Interest Rate Swap Termination
Trade Date: 5/05/05 (Amended 6/23/05)
Effective Date: 6/02/05
Termination Date: 6/01/38
GID 2149608

Ladies and Gentlemen:

Reference is made to the 1992 ISDA Master Agreement dated as of May 4, 2005 entered into between you and us (the "District"), including the Schedule and Credit Support Annex thereto (as amended, modified or supplemented, the "Swap Agreement"), relating to the District's Water Bonds (as identified in the Confirmation). Terms used but not defined herein are used as defined in the Swap Agreement.

Pursuant to our notice to you on September 17, we have designated today, September 25, 2008, as the Early Termination Date for the Swap Agreement, and have calculated the Settlement Amount in accordance with Section 6(e) of the Swap Agreement, using the Market Quotation method. We have determined the Settlement Amount to be \$520,000.

This amount is payable to you under the terms of the Swap Agreement immediately. No further obligations exist between you and the District under the Swap Agreement.

We have attached hereto a grid showing the Market Quotations received and the basis of our calculations, for your reference. Also attached are copies of the faxed forms received from the Reference Market-makers that provided us with such Market Quotations. In all, we contacted seven Reference Market-makers and five provided Market Quotations for this Swap Agreement.

A separate letter has been sent to you this date showing the Settlement Amount relating to the 1992 ISDA Master Agreement dated as of May 4, 2005 entered into between you and us, including the Schedule and Credit Support Annex thereto, relating to the District's Wastewater Bonds (as identified in the Confirmation).

Lehman Brothers Special Financing Inc.
September 25, 2008
Page 2

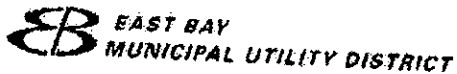
Please do not hesitate to contact me with any questions.

Sincerely,

East Bay Municipal Utility District


by Gary Brex, Director of Finance

cc: Nat Singer, Swap Financial Group



September 25, 2008

Via Facsimile 646-758-2988

Lehman Brothers Special Financing Inc.
745 Seventh Avenue, 5th Floor
New York, New York 10019
Attn: Municipal Financial Products -Middle Office

Re: Interest Rate Swap Termination
Trade Date: 5/05/05 (Amended 6/23/05)
Effective Date: 6/02/05
Termination Date: 6/01/38
GID 2149659

Ladies and Gentlemen:

Reference is made to the 1992 ISDA Master Agreement dated as of May 4, 2005 entered into between you and us (the "District"), including the Schedule and Credit Support Annex thereto (as amended, modified or supplemented, the "Swap Agreement"), relating to the District's Wastewater Bonds (as identified in the Confirmation). Terms used but not defined herein are used as defined in the Swap Agreement.

Pursuant to our notice to you on September 17, we have designated today, September 25, 2008, as the Early Termination Date for the Swap Agreement, and have calculated the Settlement Amount in accordance with Section 6(e) of the Swap Agreement, using the Market Quotation method. We have determined the Settlement Amount to be \$786,533.

This amount is payable to you under the terms of the Swap Agreement immediately. No further obligations exist between you and the District under the Swap Agreement.

We have attached hereto a grid showing the Market Quotations received and the basis of our calculations, for your reference. Also attached are copies of the faxed forms received from the Reference Market-makers that provided us with such Market Quotations. In all, we contacted seven Reference Market-makers and five provided Market Quotations for this Swap Agreement.

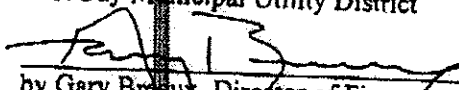
A separate letter has been sent to you this date showing the Settlement Amount relating to the 1992 ISDA Master Agreement dated as of May 4, 2005 entered into between you and us, including the Schedule and Credit Support Annex thereto, relating to the District's Water Bonds (as identified in the Confirmation).

Lehman Brothers Special Financing Inc.
September 25, 2008
Page 2

Please do not hesitate to contact me with any questions.

Sincerely,

East Bay Municipal Utility District


by Gary Breaux, Director of Finance

cc: Nat Singer, Swap Financial Group

East Bay Municipal Utility District
Wastewater System Swap with Lehman Brothers Special Financing Inc
Global ID 2149659
September 25, 2008

Firm	Market Quotation	Rank Order High to Low
Dexia Credit Local	\$1,091,410	1
Bank of New York Mellon	\$950,000	2
Wells Fargo Bank, NA	\$717,800	3
Merrill Lynch Capital Services, Inc.	\$692,000	4
Deutsche Bank AG	\$217,500	5

Settlement Amount* \$786,533

*Calculated by omitting the high and low quotes and averaging the remaining 3 quotes.

East Bay Municipal Utility District
Water System Swap with Lehman Brothers Special Financing Inc
Global ID 2149608
September 25, 2008

Firm	Market Quotation	Rank Order High to Low
Dexia Credit Local	\$779,480	1
Bank of New York Mellon	\$615,000	2
Merrill Lynch Capital Services, Inc.	\$506,000	3
Wells Fargo Bank, NA	\$440,200	4
Deutsche Bank AG	\$130,000	5

Settlement Amount* \$520,400

*Calculated by omitting the high and low quotes and averaging the remaining 3 quotes.

SEP-25-2008 10:17

WELLS FARGO

4159569581

P.01/01

RESPONSE FORM

Date: September 25, 2008

To: Swap Financial Group, LLC

Fax: (973) 378-5575

Re: East Bay Municipal Utility District (EBMUD)
Interest Rate Swaps (Insured by XL Capital Assurance, Inc.)

Name of Entity:

Wells Fargo Bank, N.A.

Location of Entity:

San Francisco, CA

Name of Guarantor (if applicable):

N/A

Water System Swap

Upfront Payment to EBMUD:

\$ 440,200

Wastewater System Swap

Upfront Payment to EBMUD:

\$ 717,600

This is submitted in accordance with the terms and conditions contained in the Swap Financial Group Term Sheet dated September 24, 2008.

By:

Steve Sohn

RESPONSE FORM

Date: September 25, 2008

To: Swap Financial Group, LLC
Fax: (973) 378-5575Re: East Bay Municipal Utility District (EBMUD)
Interest Rate Swaps (Insured by XL Capital Assurance, Inc.)

Name of Entity:

Govt of New York Mellon

Location of Entity:

New York, NY

Name of Guarantor (if applicable):

---Water System Swap
Upfront Payment to EBMUD:\$ 615,000Wastewater System Swap
Upfront Payment to EBMUD:\$ 950,000

This is submitted in accordance with the terms and conditions contained in the Swap Financial Group Term Sheet dated September 24, 2008.

By:

Timothy Comerford
Timothy Comerford

RESPONSE FORM

Date: September 25, 2008

To: Swap Financial Group, LLC
Fax: (973) 378-5575Re: East Bay Municipal Utility District (EBMUD)
Interest Rate Swaps (Insured by XL Capital Assurance, Inc.)

Name of Entity:

Deutsche Bank AG, New York Branch

Location of Entity:

60 Wall Street, NY, NY

Name of Guarantor (if applicable):

N/A

Water System Swap

Upfront Payment to EBMUD:

\$130,000

Wastewater System Swap

Upfront Payment to EBMUD:

\$217,500

This is submitted in accordance with the terms and conditions contained in the Swap Financial Group Term Sheet dated September 24, 2008.

By: 

001/001

RESPONSE FORM

Indicative / Market Quotation \$776.

Date: September 25, 2008

To: Swap Financial Group, LLC
Fax: (973) 378-5575

Re: East Bay Municipal Utility District (EBMUD)
Interest Rate Swaps (Insured by XL Capital Assurance, Inc.)

Name of Entity:

Dexia

Location of Entity:

NY

Name of Guarantor (if applicable):

* Water System Swap
Upfront Payment to EBMUD:

\$ 779,480

* Wastewater System Swap
Upfront Payment to EBMUD:

\$ 1,091,410

This is submitted in accordance with the terms and conditions contained in the Swap Financial Group Term Sheet dated September 24, 2008.

By: *Erin J. Benoit*

* Indicative amount, if credit approval had been granted, stated above *\$776*

212 445 0748 P.01/01

RESPONSE FORM

Date: September 25, 2008

To: Swap Financial Group, LLC
Fax: (973) 378-5575

Re: East Bay Municipal Utility District (EBMUD)
Interest Rate Swaps (Insured by XL Capital Assurance, Inc.)

Name of Entity:

Merrill Lynch Capital Services, L.L.C.

Location of Entity:

NY, NY

Name of Guarantor (if applicable):

ML + Co.

Water System Swap
Upfront Payment to EBMUD:

\$506,000

Wastewater System Swap
Upfront Payment to EBMUD:

\$692,000

This is submitted in accordance with the terms and conditions contained in the Swap Financial Group Term Sheet dated September 24, 2008.

By: 

TOTAL P.01

PART II

Initiate Single Wire - Confirm

Page 1 of 1



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[Unsuccessful](#)
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Initiate Single Wire - Confirmation

 Your sequence number is 001373

You may want to print this page for your records.

Today's Date: 09/25/2008
Today's Time: 05:25 PM ET
Debit Account: 4121064679 [Consolidated]
Transfer Type: DOM
Status: QUEUED
Beneficiary: Lehman Brothers Special Finance
Value Date: 09/25/2008
Execution Date: 09/25/2008
Wire Amount: 786,533.00 USD

[Print Page](#)

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Initiate Single Wire - Confirm

Page 1 of 1



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Initiate Single Wire - Confirmation

Your sequence number is 001372

You may want to print this page for your records.

Today's Date: 09/25/2008
Today's Time: 05:24 PM ET
Debit Account: 4121064679 [Consolidated]
Transfer Type: DOM
Status: QUEUED
Beneficiary: Lehman Brothers Special Finance
Value Date: 09/25/2008
Execution Date: 09/25/2008
Wire Amount: 520,400.00 USD

[Print Page](#)

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PART III

Swap Financial Group

Swap Financial Group, LLC
76 South Orange Avenue, Suite 6
South Orange, NJ 07079
(973) 378-5500, fax (973) 378-5575

September 19, 2008

East Bay Municipal Utility District Interest Rate Swap Program

Term Sheet

OVERVIEW OF FINANCING PLAN

The East Bay Municipal Utility District (the "District") is seeking eligible replacement counterparty(ies) (each a "Counterparty") for two existing swaps (the "Swaps"), one in connection with its Water System Subordinated Revenue Refunding Bonds, Series 2008A Refunding Bonds (the "Water System Swap") and the other in connection with its Wastewater System Subordinated Revenue Refunding Bonds, Series 2008B (the "Wastewater Swap"). Both Swaps were entered into with Lehman Brothers Special Financing, Inc. ("LBSF") to convert its floating rate exposure under the related bonds to a fixed rate. Under the Swaps, the District pays a fixed rate to the counterparty and receives a floating rate based on a percentage of one-month LIBOR. The Swaps have common terms, except for the notional amounts and fixed rates, which are detailed below. The District's scheduled payments under the Swaps (as defined in the insurance policy) are insured by XL Capital Assurance, Inc. Under current market conditions, the Swaps are off-market such that the Counterparty would be required to make an up-front payment to the District.

Your firm is in the process of being approved as a potential Counterparty to face the District in the Swaps. Swap Financial Group has been retained by the District to work with it for the bidding of the Swaps. The Swaps are scheduled to be bid at 11:30 a.m. Eastern Time on Thursday, September 25, 2008.*

SWAP TRANSACTION SPECIFICS

Fixed Rate Payer:

The District

Floating Rate Payer:

Counterparty (winning bidder)

Interest Rate Swap Term Sheet
East Bay Municipal Utility District
September 19, 2008
Page 2 of 4

Bid Date: September 25, 2008 at 11:30 a.m. Eastern Time*

Swap Documentation Closing Date: October 6, 2008 or sooner*

Effective Date: September 25, 2008*

Termination Date: June 1, 2038*

Notional Amount: Water System Swap: Initially USD 44,480,000 and amortizing thereafter in accordance with the notional schedule shown in Attachment A.

Wastewater System Swap: Initially USD 68,925,000 and amortizing thereafter in accordance with the notional schedule shown in Attachment A.

Fixed Rate Provisions:

Fixed Rates: Water System Swap: 3.115%
Wastewater System Swap: 3.0975%

Day Count Fraction: 30/360

Period End Dates: Semiannually, each June 1 and December 1, subject to adjustment in accordance with Following Business Day Convention.

Payment Dates: Semiannually, each June 1 and December 1, subject to adjustment in accordance with Following Business Day Convention.

Floating Rate Provisions:

Floating Rate: 62.3% of one-month LIBOR

*subject to change

Interest Rate Swap Term Sheet
East Bay Municipal Utility District
September 19, 2008
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Reset:	Monthly, on the first calendar day of each month
Averaging:	Weighted
Day Count Fraction:	Actual/360
Period End Dates:	Semiannually, each June 1 and December 1, subject to adjustment in accordance with Following Business Day Convention.
Payment Dates:	Semiannually, each June 1 and December 1, subject to adjustment in accordance with Following Business Day Convention.
Business Days:	New York
Documentation:	<p>Documentation must conform to the swap documents the District currently has in place. Any changes to the documentation must be approved by the District prior to the bid. Counsel for the District is Sidley Austin LLP (Contact: Eric Tashman at 415-772-1214). First draft swap documentation will be distributed by the Counterparty.</p> <p>The District will provide the Counterparty, prior to closing, documentation representing that it is legally authorized to enter into the transaction, and that the agreement is valid and binding.</p>
Basis of Award:	Bidders should submit quotations in the form of the highest upfront payment that the Counterparty would pay on each of the Swaps, <u>on both an insured and uninsured basis</u> . The quotation on the insured transaction should

*subject to change

Interest Rate Swap Term Sheet
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represent market levels for a transaction with the specified terms and conditions, and the uninsured quote should represent an "actionable" level. The District may award the Swaps (uninsured) to two different counterparties in order to achieve counterparty diversification. The District reserves the right to make no award or any award in its sole and absolute discretion as is deemed to be in its best business interests.

Bidding Agent Fee:

Upon closing, the respective Counterparty shall pay to Swap Financial Group the following amounts:

Water System Swap: [TBD]

Wastewater System Swap: [TBD]

Swap Financial Group has prepared this term sheet from information available to us which we believe to be correct, but this term sheet is not a substitute for your complete review of the appropriate documents relative to this financing.

Your interest in the above transactions is appreciated. Further information regarding the structuring of these transactions will be communicated to you as it develops. Any questions concerning the above should be directed to Peter Shapiro, Nat Singer, Jim Murphy or Lillian Chern of Swap Financial Group (973) 378-5500. We look forward to working with you in these transactions and welcome any comments or suggestions regarding this placement process.

*subject to change

EAST BAY MUNICIPAL UTILITY DISTRICT**Water System Swap**

<u>Date</u>	<u>Outstanding Notional</u>
Effective Date	\$44,480,000
6/1/2009	\$44,295,000
6/1/2010	\$44,105,000
6/1/2011	\$43,910,000
6/1/2012	\$43,705,000
6/1/2013	\$43,495,000
6/1/2014	\$43,275,000
6/1/2015	\$43,050,000
6/1/2016	\$42,270,000
6/1/2017	\$40,880,000
6/1/2018	\$39,445,000
6/1/2019	\$37,955,000
6/1/2020	\$35,390,000
6/1/2021	\$32,735,000
6/1/2022	\$30,300,000
6/1/2023	\$27,770,000
6/1/2024	\$25,135,000
6/1/2025	\$22,875,000
6/1/2026	\$20,520,000
6/1/2027	\$19,110,000
6/1/2028	\$17,645,000
6/1/2029	\$16,135,000
6/1/2030	\$14,575,000
6/1/2031	\$12,955,000
6/1/2032	\$11,285,000
6/1/2033	\$9,555,000
6/1/2034	\$7,770,000
6/1/2035	\$5,925,000
6/1/2036	\$4,015,000
6/1/2037	\$2,040,000
6/1/2038	\$0

Wastewater System Swap

<u>Date</u>	<u>Outstanding Notional</u>
Effective Date	\$68,925,000
6/1/2009	\$68,500,000
6/1/2010	\$66,850,000
6/1/2011	\$65,175,000
6/1/2012	\$63,475,000
6/1/2013	\$61,725,000
6/1/2014	\$59,950,000
6/1/2015	\$58,125,000
6/1/2016	\$56,275,000
6/1/2017	\$54,375,000
6/1/2018	\$52,425,000
6/1/2019	\$50,450,000
6/1/2020	\$47,200,000
6/1/2021	\$43,850,000
6/1/2022	\$40,450,000
6/1/2023	\$36,950,000
6/1/2024	\$33,325,000
6/1/2025	\$29,575,000
6/1/2026	\$25,700,000
6/1/2027	\$24,025,000
6/1/2028	\$22,275,000
6/1/2029	\$20,475,000
6/1/2030	\$18,625,000
6/1/2031	\$16,700,000
6/1/2032	\$14,725,000
6/1/2033	\$12,675,000
6/1/2034	\$10,550,000
6/1/2035	\$8,350,000
6/1/2036	\$6,075,000
6/1/2037	\$3,725,000
6/1/2038	\$0

PART IV

Telephone Number	WTN	Provider	From Number	To Number	To City	To State	From City	From State	Call Class	Usage Type	Call Date	Call Time	Rate Period	Call Duration	Call Cost	Usage Provider
(510) 287-0600	(510) 287-0293	AT&T LD	(510) 287-0293	(646) 758-2988	NEW YORK	NY	OAKLAND	CA	DS	IE	9/19/2008	11:14	Day	0:48	0.02	ATTLD
(510) 287-0600	(510) 287-0293	AT&T LD	(510) 287-0293	(646) 758-2988	NEW YORK	NY	OAKLAND	CA	DS	IE	9/22/2008	11:37	Day	1:12	0.03	ATTLD
(510) 287-0600	(510) 287-0293	AT&T LD	(510) 287-0293	(646) 758-2988	NEW YORK	NY	OAKLAND	CA	DS	IE	9/25/2008	13:55	Day	2:38	0.06	ATTLD

9.29 3:30 P.M.

SATOICO Koyama 646-333-9247

Lehman Bros.

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SA SKOYAMA @ Lehman.Com

"She is not in a position
to send us a confirmation
but she has received everything
she needs"

**UNANIMOUS WRITTEN CONSENT OF THE
EXECUTIVE COMMITTEE OF THE
BOARD OF DIRECTORS OF
LEHMAN BROTHERS HOLDINGS INC.**

The undersigned, being both members of the Executive Committee of the Board of Directors of Lehman Brothers Holdings Inc., a Delaware corporation (the "Corporation"), do hereby adopt the following resolutions by unanimous written consent in lieu of a meeting in accordance with Section 141(f) of the General Corporation Law of the State of Delaware:

WHEREAS, the Corporation has previously authorized by specific resolution, which authority has not been revoked (the "Outstanding Guarantee Resolutions"), the guarantee of all or specified obligations and liabilities of certain direct and indirect subsidiaries of the Corporation, each of which is a "Guaranteed Subsidiary" as such term is used in the Corporation's Code of Authorities as currently in effect (the "Code"),

WHEREAS, certain of the Guaranteed Subsidiaries presently enjoy full guarantees while others have only partial guarantees, and the Corporation now wishes to expand such partial guarantees to full guarantees,

WHEREAS, due to the passage of time the names of certain of the Guaranteed Subsidiaries have changed, rendering the Outstanding Guarantee Resolutions out of date to that extent,

WHEREAS, the Corporation wishes to clarify that its guarantee of any Guaranteed Subsidiary with respect to any given transaction is not contingent upon the issuance of a signed guarantee pertaining to such transaction,

WHEREAS, Management wishes to establish additional Guaranteed Subsidiaries,

WHEREAS, Management wishes to specify that to the extent lawful and allowable, guarantees issued by the Corporation concerning certain of the Guaranteed Subsidiaries should originate with the branch of the Corporation located in London, England, so as to secure certain tax and accounting benefits, and

WHEREAS, Management believes that it would facilitate the conduct of the business of the Corporation to supersede and replace the various Outstanding Guarantee Resolutions in their entirety with this single document,

NOW THEREFORE BE IT,

DE 06 2005 25/06/2005 16:41 LE-PAN + 31645752653

NO. 290 004 P. 02
NO. 504 002

RESOLVED, that the Corporation hereby fully guarantees the payment of all liabilities, obligations and commitments of the subsidiaries set forth on Schedule A hereto, each of which shall be a Guaranteed Subsidiary for purposes of the Code;


RESOLVED, that the Outstanding Guarantee Resolutions are hereby superseded and replaced in their entirety with this single document, provided that any guarantees provided pursuant to the Outstanding Guarantee Resolutions and outstanding on the date hereof, whether in the form of a separately executed individual guarantee or otherwise, shall remain issued, outstanding and valid for all purposes;

RESOLVED, that guarantees provided by the Corporation concerning certain of the Guaranteed Subsidiaries should originate with the branch of the Corporation located in London, England, to the extent lawful and allowable, as specified on Schedule A hereto;

RESOLVED, that each of the persons listed in the Code (as it may be amended from time to time) as being authorized to approve individual guarantees issued by the Corporation with respect to Guaranteed Subsidiaries, or any proper delegate thereof (collectively, "Authorized Persons"), are hereby authorized, in the name and on behalf of the Corporation, to execute such guarantees in such form as is approved by an attorney of the Corporation and such Authorized Person, subject to any limitations specified herein, his or her execution of each such guarantee to be conclusive evidence of approval thereof; and to do such other acts and things as may be advisable or necessary in order to effect the purposes and intent of these resolutions; and

FURTHER RESOLVED, that any and all actions contemplated by the foregoing resolutions and taken by such Authorized Persons prior to the date hereof are hereby ratified, confirmed and approved in all respects.

Dated: June 9, 2005


Richard S. Fuld, Jr.


John D. Macomber

Schedule A
to LBHI Unanimous Written Consent
dated June 9, 2005

	Name of Subsidiary	Issue Corporation guarantee from branch located in London, England, to the extent lawful and allowable?
1.	Lehman Brothers Asia Holdings Limited	No
2.	Lehman Brothers Bankhaus A.G.	Yes (London branch of such subsidiary only)
3.	Lehman Brothers Commercial Bank	No
4.	Lehman Brothers Commercial Corporation	No
5.	Lehman Brothers Commercial Corporation Asia Limited	No
6.	Lehman Brothers Equity Finance (Cayman) Limited	No
7.	Lehman Brothers Finance S.A.	No
8.	Lehman Brothers Holdings Plc	Yes
9.	Lehman Brothers International (Europe)	Yes
10.	Lehman Brothers Japan Inc.	No
11.	Lehman Brothers (Luxembourg) Equity Finance S.A.	No
12.	Lehman Brothers (Luxembourg) S.A.	No
13.	Lehman Brothers OTC Derivatives Inc.	No
14.	Lehman Brothers Securities Asia Limited	No
15.	Lehman Brothers Securities N.V.	No
16.	Lehman Brothers Special Financing Inc.	No
17.	Lehman Brothers Treasury Co. B.V.	No
18.	Lehman Re Limited	No